



HOWARD COUNTY RETIREMENT PLAN



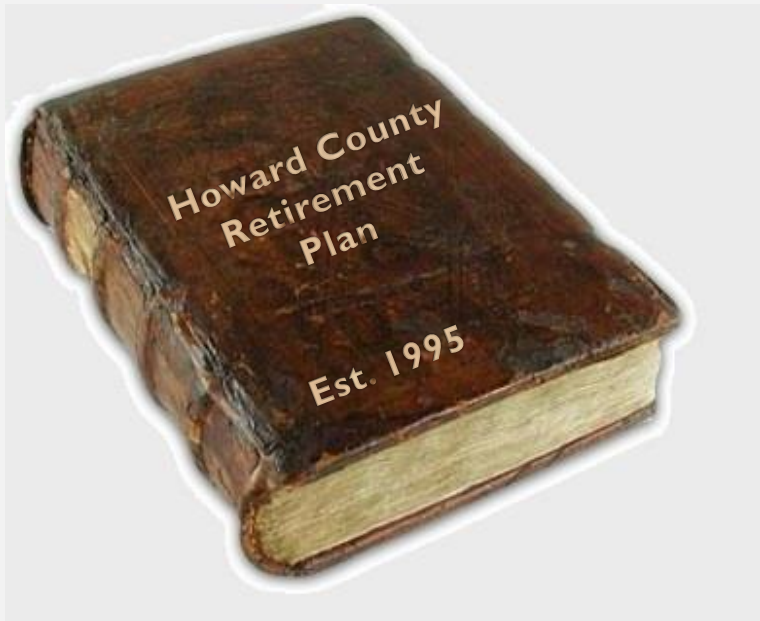
**A New Adventure, Preparing for Retirement
September 18, 2018**

**Presented by:
Terry Reider
Scott Southern
Nike Yahaya**

DISCLAIMER

This presentation is intended as an overview of the retirement benefits provided for you by Howard County, and every effort has been made to ensure its accuracy. The County reserves the right to make future plan amendments. These materials are not a substitute for the official legal terms of the Retirement Plan specified in the Howard County Code. In the event of a discrepancy between this information and the County Code, the County Code will govern.

PLAN HISTORY



- The Howard County Retirement Plan was established in 1995.
- Employees in 1995 could stay in the MD State Retirement System or join the HCRP.
- The plan now covers approximately:
 - 1,850 County Employees, plus
 - 800 Retirees/Beneficiaries receiving a monthly check, plus
 - 190 terminated vested members
- Plan assets held in Trust to pay benefits: approx. \$450 million

PLAN FUNDING

Employee Contributions + Employer Contributions



- **3.0% of base pay**
- **8.5% for Corrections employees**

- **Actuarially determined**
- **11.5% of pay (FY 19)**

KEY DEFINITIONS

Creditable Service* (HOW MUCH?)

- Determines amount of your benefits



Final Average Pay

- Highest 36 months
- Excludes bonuses & overtime
- No reduction for furlough

Eligibility Service* (HOW SOON?)

- Determines vesting
- Eligibility for normal or early retirement
- Qualification for retiree health insurance



** Service is measured in years and complete calendar months*

ELIGIBILITY FOR RETIREMENT BENEFITS NORMAL RETIREMENT



You qualify for **Normal Retirement Benefits** on the first day of the month on or after:

- ✓ 30 Years of Eligibility Service
(20 Years for Corrections)

OR

- ✓ Age 62 with at least 5 years of service, if earlier.

ELIGIBILITY FOR RETIREMENT BENEFITS

EARLY RETIREMENT

You qualify for **Early Retirement Benefits** on the first day of the month on or after:

- ✓ 25 Years of Eligibility Service

OR

- ✓ Age 55 with at least 15 years of service, if earlier.



BENEFIT FORMULA

Final
Average
Pay



Multiplier*



Creditable
Service

* The Multiplier is:

- For Corrections: 2.5% up to 20 years then 1% until 30 years
- For Local 3085 members: 1.66% for all years;
- For all other employees:
1.55% for service before 7/1/2012, and
1.66% for service after 7/1/2012

For Early Retirement, the benefit is reduced by 0.5% for each month that early retirement date precedes normal retirement date.

Normal Retirement Benefit Example (Non-union)

Final Average Pay = \$60,000 (annual)
\$ 5,000 (monthly)

Age at Retirement = 62

Retirement Date = 7/1/2019

Creditable Service at Retirement = 25 years

Retirement Benefit Formula =

$$\begin{aligned} & \$5,000 \times 18 \text{ years} \times 1.55\% \\ & + \$5,000 \times 7 \text{ years} \times 1.66\% = \$1,980/\text{month} \end{aligned}$$

Note: These are gross amounts, before tax withholding.



Early Retirement Benefit Example (Non-union)

Final Average Pay = \$60,000 (annual)
\$ 5,000 (monthly)

Creditable Service at Retirement = 25 years

Retirement Date = 7/1/2019

Age at Retirement = 60 (24 months early)

Early Retirement Reduction: $24 \times .5\% = 12\%$

Early Retirement Benefit Formula =

$$\begin{aligned} & \$5,000 \times 18 \text{ years} \times 1.55\% \\ + & \$5,000 \times 7 \text{ years} \times 1.66\% = \$1,980.00/\text{month} \\ & \qquad \qquad \qquad \times 88\% \\ & \qquad \qquad \qquad \$1,740.00/\text{month} \end{aligned}$$

Note: These are gross amounts, before tax withholding.

ADDITIONAL SERVICE CREDIT

- **Unused Sick Leave at Retirement**
 - Counts for Creditable Service Only
 - 22 Sick Days = 1 month of sick leave
 - Remainder >11= an additional month
 - 1.66% multiplier used
- **Pre-Employment Military Service**
 - Counts for both Eligibility and Creditable Service
 - Must have 10 years of service
 - Plan recognizes up to 4 years of active duty service





HOWARD COUNTY RETIREMENT PLAN

SAMPLE STATEMENT

Statement of Your Estimated Retirement Benefits as of July 1, XXXX

Participant Name: Jane Doe
Social Security #: XXX-XX-XXXX
Date of Birth: XX/XX/XX
Enrollment Date: XX/XX/XX
Rate of Pay on July 1: \$XX,XXX.00

Service as of July 1	Creditable	Eligibility
•Membership	xxYrs/xxMos	xxYrs/xxMos
•Military	xxYrs/xxMos	xxYrs/xxMos
•Purchased/Transferred	<u>xxYrs/xxMos</u>	<u>xxYrs/xxMos</u>
Total	<u>xxYrs/xxMos</u>	<u>xxYrs/xxMos</u>

Projected Benefits as of July 1, XXXX		
•Normal Retirement Date		xx/xx/xxxx
•Estimated Monthly Benefit 1		\$xxxx.xx
•Estimated Monthly Benefit 2		\$xxxx.xx

Your Contributions

During the past year

•Contribution \$xx.xx
•Transfers xx.xx
•Interest xx.xx

Total \$XXX.XX

Cumulative

Pre-tax contributions \$xx.xx
After-tax contributions xx.xx
Transfers xx.xx
Interest xx.xx

Total \$XXX.XX

ONLINE PORTAL


Howard County Retirement System

Howard County
MARYLAND



Login ?


User ID

Password

 Sign In

[Forgot user ID? >](#)
[Forgot password? >](#)

 Adobe Reader is installed.
 Internet browser (Microsoft IE 11) is supported.



The online portal can be accessed from any computer, tablet, or smart phone by going to:

<https://www.mypensionbenefit.com/Default.aspx?co=howard>


PORTAL HOME PAGE


User: Southern, Scott T (Participant) Logout


Howard County Pension Portal


Howard County Retirement Plan ▶ Southern, Scott T (Active)


Menu

 Home Page


 Participant Data


 Benefit Calculation


 Pension Documents


 My Security


Quick Links


 Designation of Beneficiary Form


 Military Service Form

 Transfer Service Form

 Optional Benefit Forms (Married)

 Optional Benefit Forms (Single)

 Summary of the Howard County Retirement Plan

 Latest Benefit Statement

Online Statements

Estimate Calculator

Plan Documents and Forms

ONLINE CALCULATOR

PlusWeb Contribution Summary Howard County Govern... Home - Retirement Plan ... ADP Enterprise HR VS Log... Maryland State Retiremen... Statements Howard County Retireme...

User: Southern, Scott T (Participant) Logout

Howard County Pension Portal

Howard County Retirement Plan Southern, Scott T (Active)

Benefit Calculation

What is your actual or expected last day of employment?

Termination Age/Date: ☒ Fixed Age ☐ Fixed Date

When do you want to begin receiving pension benefits?

Pension Start Age/Date: ☒ Fixed Age ☐ Fixed Date

Who do you plan to designate as your beneficiary, where applicable?

Relationship to you: Date of Birth:

If calculating after today, assume the following:

Expected Annual Pay Increases: %

☐ I understand and agree to the following [Terms and Conditions](#)


©2017 PensionSoft Corporation, LLC

- Four Quick Questions
- Projecting Salary increase
- Estimates can be stored

CALCULATION RESULT

CalcResults.pdf - Adobe Acrobat Reader DC

Home Tools CalcResults.pdf x Sign In



ESTIMATE ONLY – NOT A GUARANTEE OF FUTURE BENEFITS
Howard County Retirement Plan
Estimated Retirement Benefit for [REDACTED]

The benefits shown below are based on the following information:

Your Date of Birth:	10/02/1958	Assumed Retirement Date:	11/01/2020
Your Spouse's Date of Birth*:	11/29/1960	Assumed Termination Date:	11/01/2020
Projected Creditable Service:	132 months	Date of Calculation:	09/18/2018
Estimated Final Average Salary:	\$104,431	Assumed Pay Increases:	3.00%

The amount payable under each option is as follows:

Lifetime Only:	\$1,564	Payable monthly for your lifetime.
50% Joint and Survivor:	\$1,429	Payable monthly for your lifetime with \$714 payable monthly after your death to your spouse for his/her remaining lifetime.
100% Joint & Survivor:	\$1,315	Payable monthly for your lifetime with \$1,315 payable monthly after your death to your spouse for his/her remaining lifetime.
50% Pop-Up:	\$1,409	Payable monthly for your lifetime with \$704 payable monthly after your death to your spouse for his/her remaining lifetime. If you become divorced or if your spouse predeceases you, you will receive \$1,564 payable monthly for your remaining lifetime.
100% Pop-Up:	\$1,281	Payable monthly for your lifetime with \$1,281 payable monthly after your death to your spouse for his/her remaining lifetime. If you become divorced or if your spouse predeceases you, you will receive \$1,564 payable monthly for your remaining lifetime.
Return of Accrued Benefit:	\$1,489	Payable monthly for your lifetime. If you die before you have received payments totaling \$233,764 the remainder will be paid to your beneficiary as a single lump sum.

Date of estimate

Optional Forms of Payment

At Retirement Benefit Payment Options

You will elect your form of payment from the choices below:

1. Life Only Annuity (Basic Option)
2. 50% Joint and Survivor*
3. 100% Joint and Survivor*
4. 50% Pop Up*
5. 100% Pop Up*
6. Guaranteed Return of Accrued Benefit
7. Guaranteed Return of Employee Contributions



** For married retirees only*

AT RETIREMENT

EXAMPLES OF OPTIONAL FORMS

Life Only Annuity- \$1,980

payable for your lifetime and stops upon your death

50% Joint and Survivor- \$1,820

payable for your lifetime with 50% (\$910) payable to spouse after your death

100% Joint and Survivor- \$1,690

payable for your lifetime with 100% (\$1,690) payable to spouse after your death

Amounts are illustrative only and assume that retiree and spouse are the same age; actual amounts are actuarially determined at retirement based on the exact age of you and your spouse.

AT RETIREMENT

EXAMPLES OF OPTIONAL FORMS

(CONTINUED)

50% Pop Up - \$1,800

payable for your lifetime with 50% (\$900) payable to spouse after your death. Your benefit pops up to \$1,980 if spouse dies or if you divorce.

100% Pop Up - \$1,650

payable for your lifetime with 100% (\$1,650) payable to spouse after your death. Your benefit pops up to \$1,980 if spouse dies or if you divorce.

Return of Accrued Benefit Option - \$1,885

payable for your lifetime with a guarantee of \$290,000 total payments. Any remainder is paid to beneficiary.

Amounts are illustrative only and assume that retiree and spouse are the same age; actual amounts are actuarially determined at retirement based on the exact age of you and your spouse.

THE RETIREMENT PROCESS



- Notify your supervisor at least 2 weeks in advance.
- Make an appointment with the retirement team 4 to 6 weeks before the date of retirement to complete required paperwork:
 - Option Election form*
 - Direct deposit
 - Tax withholding
 - Health insurance election
- * *Option cannot be changed once payments commence.*

PAYMENTS

- Pension checks are paid on the first business day of the month.
- Annual leave and comp time are paid out on the final regular paycheck.
- Personal time is not paid out.
- Final County paycheck is a paper check mailed to your home address.



COST OF LIVING ADJUSTMENT (COLA)



The Plan adds a COLA to retirees' benefits each July 1. The maximum is 3%.

The COLA is based upon changes in the Consumer Price Index (CPI-U) for the Baltimore-Washington area.

To be eligible to receive the annual COLA, you must have been receiving retirement payments for at least one full year.

RETIREE HEALTH INSURANCE

RETIREE HEALTH INSURANCE

ELIGIBILITY REQUIREMENTS:

- **Must retire directly from active employment (no gap between last day of work and 1st day of retirement)**
- **Must be enrolled in County's health insurance as an active employee at time of retirement.**
- **Must have 15 years of full time benefitted service with Howard County**
- **For employees hired between July 1, 1999 and June 30, 2009 who were 50 or older at hire, the service requirement is 10 years.**

RETIREE HEALTH INSURANCE

(CONTINUED)

MEDICAL PLANS:(includes vision, prescription)

- For pre-Medicare retirees (same as for employees)
 - Aetna: PPO or Open Access Select
 - Kaiser Permanente HMO
- For Medicare-eligible retirees
 - Aetna Medicare Advantage (2 choices)
 - Kaiser Permanente Medicare Plus

MUST BE ENROLLED IN MEDICARE PART A AND PART B

DENTAL PLANS:

- Delta Dental
- Dominion Dental



RETIREE HEALTH INSURANCE

(CONTINUED)

- County pays % of individual medical premium based on years of service at retirement:

**Eligibility Service
at Retirement**

County Pays

less than 20

50%

20-24

75%

25+

90%

- Deductions taken from retirement check.
- One time opt-out permitted.
- Dental insurance, spousal insurance available (extra cost)
- Cost for PPO plan is slightly higher.

NOTE: For participants with 25 years of service at 7/1/2009 who retire with 30 or more years of county service, the county pays 100% of premium.



RETIREE HEALTH INSURANCE

SAMPLE MONTHLY RATES FOR

2018

Retiree / spouse under age 65		YEARS AT RETIREMENT		
	Full Premium	<u>Under 20</u> 50%	<u>20-25</u> 75%	<u>25+</u> 90%
<u>Aetna Select Open Access:</u>				
Retiree only	\$608.75	\$304.37	\$152.19	\$60.87
Retiree + Child(ren)	\$1,138.37	\$833.99	\$681.81	\$590.49
Retiree + spouse	\$1,400.13	\$916.69	\$764.51	\$673.19
Family	\$1,801.92	\$1,318.48	\$1,166.30	\$1,074.98

	Retiree only	Retiree + spouse	Family
Delta Dental	\$29.85	\$70.17	\$87.92
Dominion Dental	\$10.24	\$19.17	\$26.60

ADDITIONAL INFORMATION AND RESOURCES

[GIS Maps](#) [Open Howard](#) [Tell HoCo](#) [RSS](#) 

Search...



[County Executive](#) | [County Council](#) | [Courts](#) | [Boards and Commissions](#)



HOWARD COUNTY
MARYLAND

Allan H. Kittleman, County Executive

[I Want To](#)

[Services](#)

[Departments](#)

[News](#)

[Events and Meetings](#)

[Stay In Touch](#)

[About HoCo](#)

[Branches](#)

[Home](#) > [Departments](#) > [County Administration](#) > [Human Resources](#) > [Retirement](#)

Departments

Summaries,
Forms, Rates,
and
Presentations

Retirement

Howard County maintains two defined benefit retirement plans for their employees: one for the general employees including correctional officers, and one for police officers and firefighters. The retirement department is committed to enhancing the understanding of the plan benefits and providing quality service to our members as they move to and through retirement.

Contact:

Terry Reider

Retirement Coordinator

410-313-3456

treider@howardcountymd.gov

Scott Southern

Assistant Retirement Coordinator

410-313-2363

ssouthern@howardcountymd.gov

Nike Yahaya

Contact
information

Found in the
Human
Resources
section on the
County Website.

Retirement Plan Committee
Pension Oversight
Commission
Retirement Plan Summaries
Forms For Active Employees
Retiree COLA
Forms For Retirees
Employee Presentations
Retiree Health Insurance

AS YOU APPROACH RETIREMENT



- **Contact Howard County Retirement personnel to request a current estimate of your Retirement Plan benefit. (Estimates will be provided only within 12 months of retirement.)**
- **Depending on your age, contact the local Social Security Office (or go to www.ssa.gov) for information on Social Security and Medicare benefits.**
- **Make an appointment with the Nationwide Retirement Specialist to discuss options for deferred compensation money.**



QUESTIONS?